

**CITY OF MONTEZUMA, KANSAS**

---

**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED DECEMBER 31, 2017**

---

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
<u>FINANCIAL SECTION</u>	
Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash .....	3
Notes to the Financial Statement .....	4
<u>REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule 1	
Summary of Expenditures – Actual and Budget.....	10
Schedule 2	
Schedule of Receipts and Expenditures	
2-1 General Fund .....	11
<u>Special Purpose Funds</u>	
2-2 Special Highway Fund .....	13
2-3 Special Street Equipment Fund .....	14
2-4 Capital Improvement Fund.....	15
<u>Business Funds</u>	
2-5 Electric Utility Fund .....	16
2-6 Water Utility Fund .....	17
2-7 Trash Utility Fund.....	18

*Kennedy*  
*McKee & Company LLP* Certified Public Accountants

1100 W. Frontview  
P. O. Box 1477  
Dodge City, Kansas 67801  
Tel. (620) 227-3135  
Fax (620) 227-2308  
[www.kmc-cpa.com](http://www.kmc-cpa.com)

JAMES W. KENNEDY, CPA  
ROBERT C. NEIDHART, CPA  
PATRICK M. FRIESS, CPA  
JOHN W. HENDRICKSON, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
Montezuma, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Montezuma, Kansas, as of and for the year ended December 31, 2017, and the related notes to the financial statement.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statement is prepared by the City of Montezuma, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Montezuma, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Montezuma, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

## **Other Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget and the individual fund schedules of regulatory basis receipts and expenditures (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

December 12, 2018

# CITY OF MONTEZUMA, KANSAS

## SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund:		
General	<u>\$ 101,416</u>	<u>\$ -</u>
Special purpose funds:		
Special highway	28,610	-
Special street equipment	14,858	-
Capital improvement	<u>192,535</u>	<u>-</u>
Total special purpose funds	<u>236,003</u>	<u>-</u>
Business funds:		
Electric utility	452,233	-
Water utility	220,841	-
Trash utility	<u>77,214</u>	<u>-</u>
Total business funds	<u>750,288</u>	<u>-</u>
Total City of Montezuma	<u><u>\$ 1,087,707</u></u>	<u><u>\$ -</u></u>
Composition of cash:		
Checking account		
Sweep account		
Total City of Montezuma		

The notes to the financial statement are an integral part of this statement.

STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
<u>\$ 368,301</u>	<u>\$ 360,934</u>	<u>\$ 108,783</u>	<u>\$ -</u>	<u>\$ 108,783</u>
25,978	39,328	15,260	-	15,260
14,994	10,000	19,852	-	19,852
<u>137,616</u>	<u>76,382</u>	<u>253,769</u>	<u>-</u>	<u>253,769</u>
<u>178,588</u>	<u>125,710</u>	<u>288,881</u>	<u>-</u>	<u>288,881</u>
1,133,349	1,053,038	532,544	-	532,544
380,974	375,024	226,791	-	226,791
<u>124,845</u>	<u>121,259</u>	<u>80,800</u>	<u>-</u>	<u>80,800</u>
<u>1,639,168</u>	<u>1,549,321</u>	<u>840,135</u>	<u>-</u>	<u>840,135</u>
<u>\$ 2,186,057</u>	<u>\$ 2,035,965</u>	<u>\$ 1,237,799</u>	<u>\$ -</u>	<u>\$ 1,237,799</u>
				\$ 67,958
				<u>1,169,841</u>
				<u>\$ 1,237,799</u>

# CITY OF MONTEZUMA, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2017

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

#### 1. Municipal Financial Reporting Entity

The City of Montezuma is a municipal corporation governed by an elected mayor and five-member council. This financial statement presents the City of Montezuma.

#### 2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2017:

#### REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Business fund – funds financed in whole or in part by fees charged to users for goods or services (i.e. enterprise and internal service funds, etc.).

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

### 4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in the official newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.



## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4. Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the Special Street Equipment and Capital Improvement special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$1,237,799 and the bank balance was \$1,270,039, all of which was covered by federal depository insurance.

## C. INTERFUND TRANSFERS

A summary of interfund transfers by type is as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
Special Highway	Special Street		
	Equipment	K.S.A. 68-141g	\$ 6,494
Electric Utility	General	K.S.A. 12-825d	100,000
Electric Utility	Capital Improvement	K.S.A. 12-825d	25,000
Water Utility	Capital Improvement	K.S.A. 12-825d	<u>25,000</u>
			<u>\$ 156,494</u>

## D. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other post employment benefits.* As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

*Deferred compensation plan.* The City offers employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457.

*Compensated absences.* The City's compensated absence policy permits employees to earn ten vacation days after one year of service and fifteen days after ten years of service plus one day for each additional year of service after ten years. The City's policy allows employees to carry over all accumulated vacation. Unused vacation is paid upon termination or resignation.

Sick leave is accumulated at the rate of one-half day per month for eligible employees. The maximum number of days eligible to be carried over to a subsequent year is unlimited. Unused sick leave is not paid upon termination or resignation. The City's policy is to recognize the costs of compensated absences when actually paid.

## E. DEFINED BENEFIT PENSION PLAN

### General Information About the Pension Plan

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

## E. DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$31,481 for the year ended December 31, 2017.

### Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$310,375. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## F. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in the Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to KMIT for workers' compensation insurance coverage. The agreement to participate provides that the KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

F. RISK MANAGEMENT (CONTINUED)

The City continues to carry commercial insurance for all other risks of loss, including property, liability, and fidelity bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there have been no significant reductions in coverage.

G. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 12, 2018, the date on which the financial statement was available to be used. Management's evaluation concluded that the following subsequent event is required to be recognized or disclosed in the financial statement:

In May of 2018, the City Council adopted Ordinance #429 creating a public building commission for the City. At the November 2018 election, the voters passed a 2% sales tax for the acquisition and construction of a swimming pool and community center in an amount not exceeding \$3,150,000 under the authority of KSA 12-1757 et seq as amended.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

## CITY OF MONTEZUMA, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund:					
General	\$ 451,500	\$ -	\$ 451,500	\$ 360,934	\$ 90,566
Special purpose funds:					
Special highway	40,000	-	40,000	39,328	672
Business funds:					
Electric utility	1,505,000	-	1,505,000	1,053,038	451,962
Water utility	410,000	-	410,000	375,024	34,976
Trash utility	150,000	-	150,000	121,259	28,741
	<u>\$ 2,556,500</u>	<u>\$ -</u>	<u>\$ 2,556,500</u>	<u>\$ 1,949,583</u>	<u>\$ 606,917</u>

See Independent Auditor's Report.

**CITY OF MONTEZUMA, KANSAS**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2017

	2017		Variance favorable (unfavorable)
	Actual	Budget	
Receipts:			
Taxes and shared revenue:			
Ad valorem property tax	\$ 115,152	\$ 115,974	\$ (822)
Delinquent tax	813	959	(146)
Motor vehicle tax	18,399	23,238	(4,839)
Recreational vehicle tax	397	492	(95)
16/20M truck tax	87	108	(21)
Commercial vehicle tax	687	593	94
Local sales tax	75,855	75,000	855
Airport income	2,215	2,000	215
Fines	2,465	1,000	1,465
Fire department	13,777	4,000	9,777
Franchise fees	18,477	20,000	(1,523)
Licenses and fees	339	500	(161)
Donations	10,000	10,000	-
RV park income	4,000	9,000	(5,000)
Miscellaneous	7,208	-	7,208
Operating transfers in	100,000	100,000	-
Neighborhood revitalization	(1,570)	(1,549)	(21)
Total receipts	368,301	\$ 361,315	\$ 6,986
Expenditures:			
General government:			
Personal services	94,468	\$ 95,000	\$ 532
Contractual services	32,656	32,000	(656)
Commodities	27,983	30,000	2,017
Subtotal	155,107	157,000	1,893
Employee benefits:			
FICA	25,180	27,000	1,820
KPERS	32,362	36,000	3,638
Medicare	5,889	7,000	1,111
Workmen's compensation	9,448	20,000	10,552
Subtotal	72,879	90,000	17,121
Fire department:			
Personal services	3,842	9,000	5,158
Contractual services	1,642	1,000	(642)
Commodities	510	1,000	490
Capital outlay	8,960	1,000	(7,960)
Subtotal	14,954	12,000	(2,954)

**CITY OF MONTEZUMA, KANSAS**

**GENERAL FUND**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS**

For the Year Ended December 31, 2017

	2017		Variance favorable (unfavorable)
	Actual	Budget	
Expenditures (continued):			
Noxious weed department:			
Personal services	\$ 12,644	\$ 14,000	\$ 1,356
Contractual services	120	-	(120)
Commodities	5,802	6,000	198
Subtotal	18,566	20,000	1,434
Police department:			
Personal services	19,486	22,000	2,514
Contractual services	61	2,000	1,939
Commodities	1,519	1,000	(519)
Capital outlay	-	3,000	3,000
Subtotal	21,066	28,000	6,934
Street department:			
Contractual services	523	-	(523)
Commodities	17,739	75,000	57,261
Subtotal	18,262	75,000	56,738
Airport	3,386	5,000	1,614
City beautification	8,989	1,500	(7,489)
Golf course	46,068	60,000	13,932
RV park expense	1,657	3,000	1,343
Total expenditures	360,934	\$ 451,500	\$ 90,566
Receipts over (under) expenditures	7,367		
Unencumbered cash, beginning of year	101,416	\$ 90,185	\$ 11,231
Unencumbered cash, end of year	\$ 108,783		

See Independent Auditor's Report.



## CITY OF MONTEZUMA, KANSAS

## SPECIAL HIGHWAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

	2017		Variance favorable (unfavorable)
	Actual	Budget	
Receipts:			
State of Kansas gas tax	\$ 25,978	\$ 25,410	\$ 568
Expenditures:			
Street repair and maintenance	15,834	\$ 33,648	\$ 17,814
Capital outlay	17,000	-	(17,000)
Operating transfers out	6,494	6,352	(142)
Total expenditures	39,328	\$ 40,000	\$ 672
Receipts over (under) expenditures	(13,350)		
Unencumbered cash, beginning of year	28,610	\$ 14,590	\$ 14,020
Unencumbered cash, end of year	\$ 15,260		

See Independent Auditor's Report.

## CITY OF MONTEZUMA, KANSAS

## SPECIAL STREET EQUIPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>2017</u>
Receipts:	
Sale of equipment	\$ 8,500
Operating transfers in	<u>6,494</u>
Total receipts	14,994
Expenditures:	
Capital outlay	<u>10,000</u>
Receipts over (under) expenditures	4,994
Unencumbered cash, beginning of year	<u>14,858</u>
Unencumbered cash, end of year	<u><u>\$ 19,852</u></u>

See Independent Auditor's Report.

## CITY OF MONTEZUMA, KANSAS

## CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>2017</u>
Receipts:	
Interest and assessments	\$ 9,312
Street assessments	36,304
Sale of lots	42,000
Operating transfers in	<u>50,000</u>
Total receipts	<u>137,616</u>
Expenditures:	
Street improvements	59,667
Unruh addition	<u>16,715</u>
Total expenditures	<u>76,382</u>
Receipts over (under) expenditures	61,234
Unencumbered cash, beginning of year	<u>192,535</u>
Unencumbered cash, end of year	<u><u>\$ 253,769</u></u>

See Independent Auditor's Report.

## CITY OF MONTEZUMA, KANSAS

## ELECTRIC UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

	2017		Variance favorable (unfavorable)
	Actual	Budget	
Receipts:			
Charges for services	\$ 1,129,749	\$ 1,250,000	\$ (120,251)
Miscellaneous	3,600	-	3,600
Total receipts	<u>1,133,349</u>	<u>\$ 1,250,000</u>	<u>\$ (116,651)</u>
Expenditures:			
Administrative and general	17,446	\$ 40,000	\$ 22,554
Distribution	44,774	50,000	5,226
Non-operating	61,165	70,000	8,835
Personal services	139,129	150,000	10,871
Employee benefits	107,606	120,000	12,394
Production	527,701	900,000	372,299
Sales tax	25,342	50,000	24,658
Miscellaneous	4,875	-	(4,875)
Operating transfers out	125,000	125,000	-
Total expenditures	<u>1,053,038</u>	<u>\$ 1,505,000</u>	<u>\$ 451,962</u>
Receipts over (under) expenditures	80,311		
Unencumbered cash, beginning of year	<u>452,233</u>	<u>\$ 274,857</u>	<u>\$ 177,376</u>
Unencumbered cash, end of year	<u>\$ 532,544</u>	<u>\$ 19,857</u>	<u>\$ 512,687</u>

See Independent Auditor's Report.

## CITY OF MONTEZUMA, KANSAS

## WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

	2017		Variance favorable (unfavorable)
	Actual	Budget	
Receipts:			
Charges for services	\$ 322,957	\$ 300,000	\$ 22,957
Reimbursements	49,317	-	49,317
Sale of equipment	8,700	-	8,700
Total receipts	380,974	\$ 300,000	\$ 80,974
Expenditures:			
Administrative and general	1,607	\$ 5,000	\$ 3,393
Production	11,344	25,000	13,656
Distribution	139,918	150,000	10,082
Personal services	136,538	150,000	13,462
Non-operating	60,617	5,000	(55,617)
Capital outlay	-	50,000	50,000
Operating transfers out	25,000	25,000	-
Total expenditures	375,024	\$ 410,000	\$ 34,976
Receipts over (under) expenditures	5,950		
Unencumbered cash, beginning of year	220,841	\$ 190,832	\$ 30,009
Unencumbered cash, end of year	\$ 226,791	\$ 80,832	\$ 145,959

See Independent Auditor's Report.

## CITY OF MONTEZUMA, KANSAS

## TRASH UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

	2017		Variance favorable (unfavorable)
	Actual	Budget	
Receipts:			
Charges for services	\$ 71,588	\$ 65,000	\$ 6,588
County fee	53,257	50,000	3,257
Total receipts	124,845	\$ 115,000	\$ 9,845
Expenditures:			
Contractual services	67,800	\$ 80,000	\$ 12,200
County fee	52,864	70,000	17,136
Other	595	-	(595)
Total expenditures	121,259	\$ 150,000	\$ 28,741
Receipts over (under) expenditures	3,586		
Unencumbered cash, beginning of year	77,214	\$ 67,475	\$ 9,739
Unencumbered cash, end of year	\$ 80,800	\$ 32,475	\$ 48,325

See Independent Auditor's Report.